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FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 0237
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 3354
RUEHBJ/AMEMBASSY BEIJING 1170
RUEHKO/AMEMBASSY TOKYO 1038
RUEHIT/AMCONSUL ISTANBUL 1607
RUEHVEN/USMISSION USOSCE 2198
RUEKJCS/JOINT STAFF WASHDC
RHMFIUU/CDR USCENCOM MACDILL AFB FL
RUEKJCS/SECDEF WASHDC
RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RHEFDIA/DIA WASHDC

UNCLAS SECTION 01 OF 02 ASHGABAT 000201

SIPDIS

SENSITIVE
SIPDIS

STATE FOR SCA/CEN

E.O. 12958: N/A

TAGS: [PGOV](#) [EAGR](#) [ECON](#) [SOCI](#) [TX](#)

SUBJECT: TURKMENISTAN: PRESIDENT REITERATES IMPORTANCE OF RURAL
DEVELOPMENT

REF: ASHGABAT 0181

11. (U) Sensitive but unclassified. Not for public Internet.

12. (SBU) SUMMARY: At his February 2 Cabinet of Ministers meeting, President Berdimuhamedov reiterated his determination to improve life in Turkmenistan's remote rural regions, requiring relevant cabinet members to report on progress to date in implementing the rural development plan. The president returned decision-making responsibility (but not budget-approving authority) for rural development to the provincial governments and urged more coordination between the central and regional governments in identifying and delivering the needs of people on the periphery. This is a significant reversal of the decision last July to move budget and decision-making authority to the center, and -- while probably motivated by the president's frustration at the slow pace of implementation -- it has the collateral result of promoting greater local self-governance. END SUMMARY.

NATIONAL PROGRAM

13. (SBU) During an extended meeting of the Cabinet of Ministers on February 2, the president focused largely on his new "National Program of Reform of Social/Living Conditions of Populations of Villages, Towns, Cities, Districts, and District Centers through 2020." (NOTE: This program is directed toward improving social and living conditions in Turkmenistan's marginalized rural areas. END NOTE.) As program chairman, Berdimuhamedov ordered his ministers and regional governors to identify strategies and actions how to improve rural living as a team. He said that "as a president elected by people, I will not let anyone hinder the realization of this program." Berdimuhamedov urged municipal leaders to submit proposals for the construction of schools, kindergartens, and hospitals in their respective districts and provinces and urged all cabinet members to work harder to attract foreign construction companies to build these facilities.

CONCRETE PROJECTS AND \$\$\$

14. (SBU) Five ministers reported on their agencies' plans to

promote rural development:

-- Minister of Construction and Construction Materials Shamuhammet Durdyliyev reported that 41% of the capital investment for social development and improvement of engineering infrastructure was allocated to his ministry. The Ministry will use this capital to construct a total of 365,000 square meters of housing in rural areas in 2008.

-- Minister of Energy and Industry Gurbannur Annaveliyev reported that the government allocated 11,184.7 billion manats (approximately \$1.86 million at the official exchange rate) for construction of new power transmission lines and refurbishment of existing lines. The Ministry plans to spend 1,035.4 billion manats (\$173,000) in 2008.

-- Chairman of "TurkmenAvtoYallary" (Turkmen Motor Roads) Ashyr Sarybayev discussed upcoming road construction projects. This state concern will build and reconstruct roads and highways of a total length of 1,841 kilometers. Plans for these roads include green zones, street lights, and bus stops. (NOTE: The head of the district division of this company said that a hefty 17 billion manats (about \$2.8 million) had been allocated for his district in Dashoguz province. END NOTE.)

-- Chairman of TurkmenGaz (Turkmen Gas) Yagshygeldi Kakayev reported the state concern's plans to lay 12,806.2 kilometers of gas pipelines in rural areas. TurkmenGaz plans to lay 9,337.5 kilometers of pipelines by 2010. In addition, Kakayev indicated, TurkmenGaz has already purchased \$39.6 million worth of pipes.

-- Minister of Communications Resulberdi Hojagurbanov reported the government allocated almost 300 billion manats (about \$50 million) to his ministry for high-quality communications systems, including

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television and radio broadcasting.

DECREES GIVE PROVINCES DECISION-MAKING RESPONSIBILITY

15. (SBU) President Berdimuhamedov, who is also the Chairman of the Halk Maslahaty (People's Council), signed decrees upgrading the status of Ashgabat's Archabil district; the municipalities of Tejen, Serdar, and Kunya Urgench; and the settlements of Anau, Baharly, Geokdepe, and Gazachak. Under these decrees, these upgraded settlements and municipalities will have the same government structures as cities. Berdimuhamedov also signed decrees splitting the Ministry of Economy and Finance into two separate ministries -- a Ministry of Finance and a Ministry of Economy and Development (reftel) -- and giving decision-making responsibility (but not budget-approving authority) back to the provincial governments for construction, new roads, and laying of gas pipelines and electrical lines within their provinces. (COMMENT: This is a significant reversal of the decision last July to move budget and decision-making authority from provincial governments to the Center. END COMMENT.)

16. (SBU) COMMENT: For Turkmenistan's rural citizens, who were badly neglected under President Niyazov, Berdimuhamedov's new program represents a sign of consideration, respect, and fair treatment. While Berdimuhamedov has put rural development high on his list of priorities, he has been growing increasingly impatient with the slow pace of implementation. It was probably this frustration, more than any other consideration, that led to his decision to return decision-making authority to the provincial governments. However, by giving more power to local authorities, who now can draft their own budgets based on local needs, and provide those budgets for consideration to central authorities, this move reflects a positive step forward in empowering local self-governance. END COMMENT.

HOAGLAND